

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION

----- )  
UNITED STATES OF AMERICA, )  
 )  
 ) 5:17-CR-00134-BR-1  
vs. )  
 )  
XAVIER EARQUHART, )  
Defendant. )  
----- )

MARCH 26, 2018  
JURY SELECTION and TRIAL TESTIMONY - DAY 1  
BEFORE THE HONORABLE W. EARL BRITT  
SENIOR UNITED STATES DISTRICT JUDGE

APPEARANCES:

On Behalf of the Government:

WILLIAM GILMORE, ASSISTANT U.S. ATTORNEY  
U.S. Attorney's Office  
New Bern Avenue, Suite 800  
Raleigh, North Carolina 27601

On Behalf of the Defendant:

SUZANNE LITTLE, FEDERAL PUBLIC DEFENDER  
Federal Public Defender's Office  
150 Fayetteville Street, Suite 450  
Raleigh, North Carolina 27601

ROSEMARY GODWIN  
434 Fayetteville Street, Suite 2050  
Raleigh, North Carolina 27601

AMY M. CONDON, CRR, RPR, CSR  
Official Court Reporter  
United States District Court  
Raleigh, North Carolina  
Stenotype with computer-aided transcription

## I N D E X

GOVERNMENT'S WITNESSES

ANTHONY VENTRE

Direct Examination by Mr. Gilmore	84
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GOVERNMENT'S EXHIBITS

NUMBER	RECEIVED
1, A1, B, C1, D THROUGH H	89
D1, D8 through D11 and D13	102
F1, F2, F6, F7 and F9	102
G1, G2, G7 and G8	102
1.4, 1.6 and 1.7	131
1.5	128
1.9, 1.10, 2, 2.1 through 2.5	94
1.11	123
2.7, 3.2, 4.1, 6.4, 7.6, 8.1, 8.2 and 9.1	122
3, 3.1, 5, 5.1, and 4	95
F3 through F5, F11 and F12	107
G3 through G5, G13, G14, H2 through H4 and H7	107
D4 through D6, D16, D17, E4 through E6, E12 and E13	107
6.1 through 6.3, 7, 7.1 through 7.4	95
A9 through A12	95
9, C2, C7 through C9 and C11	102
H9-H13, 9.2, B9, B10, D12, D14, D15 and D18	118
G9-G12, G15, G16	118

GOVERNMENT'S EXHIBITS (Cont'd)

C12, C13, 11, 11.1 - 11.3, E8 and E11	118
12, F8, F10-F13, F15, F16	118
14	87
15.4, 16.4, D5, C6, D7, B7 and G6	104
15.5, 15.6, 15.9 and 15.10	118
15.7, 15.11, 16.9, 16.4, 16.6, 16.19 and 16.20	126
16.5 through 16.8, 16.10 through 16.13, 16.17 and 16.18	118
109, 110, 113 and 114	111



















































































































































































1 an answer for you.

2 (Opening Statements filed under separate cover.)

3 (Opening Statements commencing at 2:51 p.m. and concluding at  
4 3:16 p.m.)

5 THE COURT: You may call your first witness.

6 MR. GILMORE: Your Honor, during the presentation of  
7 the first witness, there is going to be a number of exhibits  
8 that one located on carts here. I would ask the Court  
9 intermittently to have the agent come down and identify those  
10 items of evidence, if it would please the Court. I don't know  
11 the Court's practice, but it's something that might aid the  
12 jury in moving the case along.

13 THE COURT: Are you talking about an agent who is  
14 going to be a witness?

15 MR. GILMORE: Yes, Your Honor. Special Agent Tony  
16 Ventre.

17 THE COURT: He's going --

18 MR. GILMORE: As he's testifying I would have him  
19 come down periodically.

20 THE COURT: It's not evidence you can present on your  
21 monitor?

22 MR. GILMORE: Once it's admitted we'll be able to  
23 show it on the monitor, but where it comes from is a bigger  
24 quantity of evidence which is shown here on the carts and we  
25 have to identify it as authentic records, and then we're going

**A. Ventre - Direct Examination**

1 to admit a much smaller portion of the record. So we'd like to  
2 pull the carts up during that portion of the exam and have him  
3 identify it and then take a seat again.

4 THE COURT: Okay.

5 MR. GILMORE: At this time the United States will  
6 call Tony Ventre.

7 ANTHONY VENTRE,

8 having been duly sworn, testified as follows:

9 **DIRECT EXAMINATION**

10 **BY MR. GILMORE:**

11 Q. Good afternoon. Could you tell the jury please where you  
12 work and what you do for a living.

13 A. Yes. I'm an employee with the Internal Revenue Service as  
14 a criminal investigator. I investigate criminal violations of  
15 the tax code as well as other financial crimes, including money  
16 laundering and the Bank Secrecy Act statutes.

17 Q. Are you in a separate agency from the IRS where you would  
18 pay your taxes?

19 A. Yes. We're a small portion of the IRS, for lack of a  
20 better term, the police force. We do have law enforcement  
21 officer powers, including arrest, ability to execute warrants  
22 and so forth. We're not what you think about when you think  
23 about getting audited by the IRS.

24 Q. You investigate crimes?

25 A. Correct.

## A. Ventre - Direct Examination

1 Q. And how long have you been working there for IRS criminal  
2 investigation?

3 A. Almost 14 years.

4 Q. During the course of your work with IRS criminal  
5 investigation, did you become involved in an investigation of a  
6 man named Xavier Milton Earquhart?

7 A. I did.

8 Q. Do you see Mr. Earquhart here in court today?

9 A. Yes. He's sitting over there in the purple shirt.

10 MR. GILMORE: Your Honor, would the record reflect  
11 that the witness identified the defendant.

12 THE COURT: Let it so reflect.

13 BY MR. GILMORE:

14 Q. Approximately, when was it -- tell the jury, if you could,  
15 when it was you began investigating this case.

16 A. Approximately three years ago.

17 Q. How is it you became to be investigating the defendant?

18 A. I was involved in another investigation where the target  
19 of that investigation was -- we obtained bank surveillance  
20 photographs of him in that branch. In that branch was a  
21 defendant receiving a large sum of cash from the other target.

22 Q. Okay. And how is it -- so you saw the defendant there,  
23 and what did you do that led to this case?

24 A. At the time we didn't know who he was so we began an  
25 investigation to identify him.

## A. Ventre - Direct Examination

1 Q. All right. And what in particular did you come to be  
2 investigating as it pertains to this case?

3 A. A number of real estate transactions.

4 Q. All right. And the charges against the defendant in this  
5 case, do they relate to those transactions you investigated?

6 A. They do.

7 Q. What I'm going to do now -- do you have a series of  
8 folders up there with you?

9 A. Yes.

10 Q. I'm going to direct your attention, if I could, to what is  
11 marked as Government's Exhibit 14. Do you recognize  
12 Government's Exhibit 14?

13 A. I do.

14 Q. What is it?

15 A. This is a summary chart which outlines the transactions in  
16 the indictment.

17 Q. Okay. And the information that's contained within this  
18 chart, is that drawn from other sources of information?

19 A. Yes. It comes from a number of sources, including real  
20 estate records, register of deed offices, bank records and  
21 interviews.

22 Q. All right. If we were to go through and examine each item  
23 within that summary chart separately, would that be very  
24 difficult to show here in court?

25 A. The paper would be voluminous.

## A. Ventre - Direct Examination

1 MR. GILMORE: Your Honor, at this time the Government  
2 would move to admit Exhibit 14 into the record.

3 THE COURT: Admitted.

4 (Government's Exhibit No. 14 was admitted into evidence.)

5 BY MR. GILMORE:

6 Q. On the screen I'm going to place Exhibit 14 on the screen  
7 for your attention. Could you, please, explain to the jury  
8 what the chart shows as a whole and then I'll ask you some  
9 detailed questions.

10 A. As a whole it summarizes the charges in the indictment.

11 Q. Go ahead. Just focusing first on the top part of the  
12 chart, what is that summarizing?

13 A. Those are the first seven charges of the indictment,  
14 series of bank fraud charges where we allege that 2732 Knowles  
15 Street was acquired illegitimately and then used as collateral  
16 for seven different loans.

17 Q. Now focusing your attention on the bottom second of the  
18 chart, those transactions in Row A through H, what does that  
19 show the jury?

20 A. Those are summaries of the second set of bank fraud  
21 charges alleged in which the same pattern is followed  
22 throughout. A property is obtained in an HOA foreclosure  
23 auction, the original owner had lost it for nonpayment of dues,  
24 the property is deeded to a holding company and then sold for  
25 profit.

## A. Ventre - Direct Examination

1 Q. All right. And down here at the bottom right there's a  
2 number -- there's one proceeds number and a bigger number.  
3 What do those numbers represent?

4 A. The first number, the 1,304,804.71 represents proceeds of  
5 transactions A through H and the bigger number, \$1,489,791.71  
6 is the total proceeds of all accounts, all transactions.

7 Q. What I want to do now is direct your attention to the  
8 folder in front of you, should be in front of you containing  
9 what are marked as Government Exhibit 1, A1, B, C1, D, E, F, G  
10 and H. Do you have those there?

11 A. I do.

12 Q. Outside of court, did you have an opportunity to  
13 refamiliarize yourself with those exhibits?

14 A. I did.

15 Q. What are they as a whole?

16 A. These are photographs of all the properties detailed in  
17 the Exhibit 14.

18 Q. How do you know that's what they are?

19 A. I went to each location and took the photographs.

20 MR. GILMORE: Your Honor, the Government would move  
21 to admit each of those exhibits at this time.

22 THE COURT: Admitted.

23 (Government's Exhibit Nos. 1, A1, B, C1, D through H were  
24 admitted into evidence.)

25 BY MR. GILMORE:



## A. Ventre - Direct Examination

1 Q. I'm now going to place on the screen Exhibit 1 and  
2 Exhibit 14. Now, what is the jury seeing in Exhibit 1 as it  
3 relates to Exhibit 14?

4 A. Exhibit 1 is an actual photograph of 2730 Knowles Street;  
5 that is the property that was used as collateral on the loan  
6 applications in transactions one through seven.

7 Q. You already described, I think, to the jury what it is you  
8 investigated in Counts 1 through 7. How did you learn of these  
9 bank loan applications contained in Counts 1 through 7 shown  
10 here?

11 A. Through information obtained from various financial  
12 institutions. The ones listed under the lender column.

13 Q. And when did -- you talked about when you began to  
14 investigate this case. When did these transactions occur in  
15 relation to when you began your investigation?

16 A. Prior to beginning the investigation.

17 Q. Okay. So these happened before you were involved?

18 A. That's correct.

19 Q. All right. What, if anything, did you do to investigate  
20 each of the bank loans that are represented in Counts 1 through  
21 7?

22 A. We subpoenaed records from each of the banks.

23 Q. And when you say you subpoenaed records, tell the jury  
24 what you mean by that.

25 A. It's a document that demands production of records for the

## A. Ventre - Direct Examination

1 Grand Jury.

2 Q. Okay. And do you retain those records once you receive  
3 them?

4 A. I do.

5 Q. I'm now going to ask you -- looking to the lenders that  
6 are referenced in Counts 1 through 7 there on the screen, did  
7 you obtain loan applications and other documents from each of  
8 those lenders?

9 A. I did.

10 Q. Okay. Now, I'm going to ask you to identify a bunch of  
11 exhibits that are on a cart down here.

12 MR. GILMORE: Your Honor, may the witness step down  
13 for just a moment to identify the record?

14 THE COURT: Yes.

15 BY MR. GILMORE:

16 Q. There in front of you do you have a series of exhibits  
17 marked for identification as Government Exhibits 500, 500A,  
18 501, 501A, 502, 502A, 503, 503A, 504, 504A, 505 and 505A?

19 A. I do.

20 Q. As a whole, what are each of those pairings of exhibits?

21 A. The front page is just a straight number, is the  
22 certification provided by the bank and the number with the A is  
23 the records produced.

24 Q. So you had the grouping of records produced by each of  
25 those banks there?

## A. Ventre - Direct Examination

1 A. I do.

2 Q. And we'll just have to go through and identify each one.

3 What are those represented by Exhibit 500?

4 A. These are records produced by the State Employees Credit  
5 Union.

6 Q. What about 501A?

7 A. Records produced by BB&T Bank.

8 Q. 502A?

9 A. Records produced by Regions Bank.

10 Q. 503A?

11 A. Records produced by TrustAtlantic Bank now known as First  
12 Tennessee.

13 Q. 504A?

14 A. Records produced by Sun Trust.

15 Q. 505A?

16 A. Records produced by Capital Bank, also now known as First  
17 Tennessee.

18 Q. Now, were each of the records that you just identified  
19 produced by a custodian of records for the bank?

20 A. That's correct.

21 Q. And what is that? What is a custodian of records?

22 A. Just what it sounds like. They keep the records of the  
23 bank.

24 Q. And did a custodian of records for each of those banks  
25 certify that the records were made near in time of the

## A. Ventre - Direct Examination

1 occurrence in the matter set forth in the documents contained  
2 in the folders there?

3 A. Yes. That's what the certification pages do.

4 Q. Did the custodian certify that the records were kept in  
5 the ordinary course of business?

6 A. Yes.

7 Q. And did the custodian certify that the records were made  
8 by the regularly conducted activity as a regular practice of  
9 the organization?

10 A. Yes.

11 Q. Okay. Now, let me direct your attention to the green  
12 folders sitting there in connection with each of those  
13 groupings of exhibits. The green folders. What's contained  
14 within each of the green folders that are sitting there?

15 A. What's inside these green folders are copies of documents  
16 that came from the entire universe of production. They are  
17 documents that are relevant to the transactions on Exhibit 14.

18 Q. Okay. So some of the things that you asked the bank to  
19 produce don't relate to these charges?

20 A. Exactly.

21 Q. So what's in the green folders, again, relate specifically  
22 to Exhibit 14?

23 A. That's correct.

24 Q. And outside of court, did you have an opportunity to  
25 refamiliarize yourself with the contents of all those green

## A. Ventre - Direct Examination

1 folders there?

2 A. I have.

3 Q. And are each of them true and correct copies from within  
4 the bigger batch of production from the banks?

5 A. They are.

6 Q. All right. Starting with the folder from State Employees  
7 Credit Union, Exhibit 500A. What are the records marked for  
8 identification as Government Exhibit 1.9 and 1.10?

9 A. These are records from State Employees Credit Union  
10 relating to the charged accounts.

11 Q. Moving to BB&T Exhibits 2, 2.1, 2.2, 2.3, 2.4, 2.5, A9,  
12 A10, A11, and A12, what are those?

13 A. Records from BB&T Bank relating to the chart.

14 Q. Moving to the records from Regions Bank, what are Exhibits  
15 3, 3.1, 5 and 5.1?

16 A. These are records from Regions Bank relating to the  
17 charged counts.

18 Q. Moving on to First Tennessee Bank, is there a folder there  
19 for First Tennessee Bank or TrustAtlantic Bank?

20 A. Yes.

21 Q. What are the records for?

22 A. Records relating to TrustAtlantic relating back to the  
23 summary chart.

24 Q. What is 6.1, 6.2 and 6.3?

25 A. These are records from Sun Trust, again, related to the

## A. Ventre - Direct Examination

1 relevant counts.

2 Q. Looking now to Exhibit 7, 7.1, 7.2, 7.3 and 7.4, what are  
3 each of those?

4 A. These are copies of records from Capital Bank that relate  
5 back to the charged counts.

6 Q. Thank you.

7 MR. GILMORE: Your Honor, at this time the Government  
8 would move to admit all of those exhibits I just referenced,  
9 not the 500 series number or the 500A number, but the smaller  
10 number digits, and I can repeat them if the Court requires.

11 THE COURT: Repeat them for the record, please.

12 MR. GILMORE: Certainly, Your Honor. The Government  
13 would move to admit Exhibit 1.9, 1.10, Exhibit 2, 2.1, 2.2,  
14 2.3, 2.4, 2.5, A9, A10, A11, A12.

15 Also, Exhibits 3, 3.1, 5, 5.1. Also, Exhibits 4,  
16 Exhibit 6.1, 6.2, 6.3, Exhibit 7, 7.1, 7.2, 7.3, 7.4.

17 The Government would move to admit those at this  
18 time.

19 THE COURT: Let them be received.

20 (Government's Exhibit No. 1.9, 1.10, 2, 2.1 through 2.5  
21 were admitted into evidence.)

22 (Government's Exhibit No. A9 through A12 were admitted  
23 into evidence.)

24 (Government's Exhibit No. 3, 3.1, 5, 5.1 and 4 were  
25 admitted into evidence.)

## A. Ventre - Direct Examination

1 (Government's Exhibit No. 6.1 through 6.3, 7, 7.1 through  
2 7.4 were admitted into evidence.)

3 BY MR. GILMORE:

4 Q. All right. I'm now going to direct your attention -- if  
5 you can have a seat for just a moment.

6 THE COURT: Just hand it back to the clerk. She'll  
7 take care of it.

8 THE WITNESS: Thank you.

9 MR. GILMORE: We'll have to do that a few times, Your  
10 Honor.

11 THE COURT: Doesn't bother me.

12 MR. GILMORE: Thank you, Your Honor.

13 BY MR. GILMORE:

14 Q. All right. I'll place Exhibit 14 back on the screen. Let  
15 me focus your attention on the bottom portion of the screen to  
16 transactions listed in A through H. Does that portion relate  
17 to Counts 8, 9 and 10?

18 A. They do.

19 Q. And if you could just very briefly describe the pattern of  
20 conduct that you were investigating with respect to those  
21 counts.

22 A. Yes. In each transaction, the same pattern occurred.  
23 Homeowner fell behind in their HOA dues and lost the house to  
24 HOA foreclose. From there, the property was auctioned off by  
25 HOA and one deeded to the holding company listed on the chart.

## A. Ventre - Direct Examination

1 From there, a fraudulent satisfaction document was recorded,  
2 wiping away the mortgage, the property was then sold for  
3 profit.

4 Q. Okay. So keeping Exhibit 14 on the screen, I'm now going  
5 to add to the screen a series of exhibits and just ask you what  
6 the jury is seeing in relation to Exhibit 14. Starting with  
7 Exhibit A1, what is A1?

8 A. That is a home located at 1216 Cantlemere Street in Wake  
9 Forest, North Carolina.

10 Q. And is that the transaction shown in Row A?

11 A. It is.

12 Q. Moving on now to Exhibit B. What is B?

13 A. That relates to the Row B in the chart as the property  
14 located at 2823 Wellington Ridge Loop in Cary, North Carolina.

15 Q. And Exhibit C1?

16 A. That's 505 E. 6th Street, Unit 1306, in Charlotte, North  
17 Carolina. It relates to Row C.

18 Q. What is D?

19 A. The condo located at 14716 Via Sorrento Drive in Charlotte  
20 and relates to transaction D.

21 Q. What is Exhibit E?

22 A. That is a home located at 5213 Gable Ridge, Holly Springs,  
23 North Carolina and relates to transaction E.

24 Q. What is Exhibit F?

25 A. A home located at 14109 Arbor Ridge Drive in Charlotte,



## A. Ventre - Direct Examination

1 North Carolina and relates to transaction F.

2 Q. What is Exhibit G?

3 A. Exhibit G is the home located at 9007 Holland Park Lane in  
4 Charlotte. It relates to transaction G.

5 Q. And what is Exhibit H?

6 A. The home located at 4818 Swans Mill Drive in Durham. It  
7 relates to transaction H.

8 Q. Now, let's just look at Exhibit 14 again, and what I would  
9 ask you to do, not for all of the rows of the chart but just  
10 for the first row, just explain to the jury what that row shows  
11 with respect to that transaction.

12 A. We'll use Row A as an example. It shows the date of the  
13 deed of the transaction, the property address, the original  
14 owner of the property, the name of the holding company the  
15 property was deeded to after being won at HOA foreclose  
16 auction, and the name of the third-party buyer or purchaser of  
17 the home from the holding company.

18 Q. And with respect to the data that you just talked about in  
19 each of those columns, where does all of that information come  
20 from specifically -- where does it all come from?

21 A. It came from a register of deed records.

22 Q. Register of deed records?

23 A. Yes.

24 Q. Were there also bank records subpoenaed?

25 A. Yes.

## A. Ventre - Direct Examination

1 Q. Do you have here in court the documents that you gathered  
2 in connection with each of those transactions in Rows A through  
3 H?

4 A. I do.

5 Q. All right. Before I have you come down and identify  
6 those, tell the jury, if you could, how it is that a person  
7 gives a property over to someone else? How do you transfer a  
8 property?

9 A. It's done with a piece of paper known as a deed. What a  
10 deed is, like I said, a piece of paper that's recorded in the  
11 register of deeds office in the county the property is located.  
12 It says, "I convey this property to John Doe on this date." It  
13 becomes a public record in the register of deeds for the entire  
14 world to see.

15 Q. So that's a deed. If someone gets a mortgage on a house,  
16 how does the bank put the world on notice that it has an  
17 interest in that house?

18 A. Also through paper, through a recorded document in the  
19 register of deeds office known as a deed of trust puts the  
20 world on notice that they have an interest in the property.

21 Q. If the bank wants to tell the world that a mortgage has  
22 been paid off, how do they do that?

23 A. Once again, with paper. This time they record a document  
24 known as a satisfaction of security instrument which let's the  
25 world know there is no more mortgage attached to the property.

## A. Ventre - Direct Examination

1 Q. And all of that is filed where?

2 A. At the register of deeds office in the county the property  
3 is located in.

4 Q. Okay. Is there one of those for pretty much every county  
5 in the state?

6 A. In all the states, yeah.

7 Q. Okay. So as part of your investigation, did you obtain  
8 land records for each of the transactions shown in A through H?

9 A. I have.

10 Q. Now, I would ask you to -- I'm going to direct your  
11 attention to the folders that are in front of you there marked  
12 Wake, Franklin, Davidson, Durham, Mecklenburg. Do you see  
13 that?

14 A. I do.

15 Q. Outside of court, did you have an opportunity to  
16 familiarize yourself with all the records contained in those  
17 folders?

18 A. I have.

19 Q. What are they as a whole?

20 A. These are documents produced by the register of deeds  
21 office showing the -- showing the recordings related to these  
22 transactions.

23 Q. Okay. And are each of those true -- each of those records  
24 certified as being true and accurate copies of filings in each  
25 of the respected register of deeds office?

## A. Ventre - Direct Examination

1 A. They are.

2 Q. Do each of the records contain a seal reporting to be that  
3 of the register of deeds office?

4 A. They do.

5 Q. Do the records contain matter to verify each register of  
6 deeds office pursuant to duties imposed by law as to which they  
7 have a duty to report?

8 A. They do.

9 Q. All right. I direct your attention specifically, then, to  
10 the folder containing exhibits -- I'm going to read them off --  
11 1, 1.2, 1.3, 1.8, 2.6, 6, 7.5, 8, 100, 101, 102, 103, 104, 105,  
12 106, B6, B7, B11, E1, E2, E3, E9, and E10. Do you see those  
13 there?

14 A. I do.

15 Q. What are those exhibits?

16 A. These are certified copies of records from the Wake County  
17 Register of Deeds.

18 Q. Okay. Directing your attention now to the folder  
19 containing the following exhibits: A2, A3, A5, A6, A7 and A8.  
20 Do you see those there?

21 A. I do.

22 Q. What are those exhibits?

23 A. These are records -- certified copies of records  
24 maintained by the Franklin County Register of Deeds.

25 Q. Are they all for transactions in Exhibit 14?

## A. Ventre - Direct Examination

1 A. Yes.

2 Q. I direct your attention now to the folder containing A4.  
3 What is A4?

4 A. It is a certification of trust recorded by the Davidson  
5 County Register of Deeds.

6 Q. Does that relate to transactions in Exhibit F?

7 A. Yes.

8 Q. I'm sorry. Exhibit 14?

9 A. Yes, Exhibit 14.

10 Q. And I direct your attention specifically now to the folder  
11 containing Exhibits H1, H5, H6, and H8. What are those  
12 exhibits?

13 A. These are certified copies of records maintained by the  
14 Durham County Register of Deeds related to actually transaction  
15 H.

16 Q. All right. And I direct your attention now to the folder  
17 containing the following exhibits: Exhibit 9, C2, C7, C8, C9,  
18 C11, D1, D8, D9, D10, D11, D13, F1, F2, F6, F7, F9, G1, G2, G7  
19 and G8. What are those exhibits?

20 A. These are certified copies of records from the Mecklenburg  
21 County Register of Deeds related to the transactions of the  
22 properties located in Charlotte.

23 Q. Lastly, let me direct your attention to the folder  
24 containing -- it should also be there -- containing what are  
25 marked as Government's Exhibits 8, 9, 10 and 13. Do you see

## A. Ventre - Direct Examination

1 those there?

2 A. I do.

3 Q. What are those?

4 A. True and accurate copies of relevant documents from these  
5 folders.

6 Q. And do each of those relate to Counts 8, 9, 10 and 13 of  
7 the superseding indictment?

8 A. They do.

9 MR. GILMORE: Your Honor, at this time the Government  
10 would move to admit each of those exhibits I just identified  
11 and I can reread them if the Court desires.

12 THE COURT: Let them be received.

13 (Government's Exhibit Nos. 9, C2, C7 through C9 and C11  
14 were admitted into evidence.)

15 (Government's Exhibit Nos. D1, D8 through D11 and D13 were  
16 admitted into evidence.)

17 (Government's Exhibit Nos. F1, F2, F6, F7 and F9 were  
18 admitted into evidence.)

19 (Government's Exhibit Nos. G1, G2, G7 and G8 were admitted  
20 into evidence.)

21 BY MR. GILMORE:

22 Q. Exhibit 14 is still on the screen there for your attention  
23 and the jury's. I direct your attention now to the column  
24 labeled "holding companies." What is being referred to there  
25 by "holding companies"?

## A. Ventre - Direct Examination

- 1 A. An entity that took possession of a property.
- 2 Q. An entity that took possession of a property?
- 3 A. Correct.
- 4 Q. What type of entities were used in the transactions that
- 5 were reflected on this page?
- 6 A. Trusts, corporations and LLCs.
- 7 Q. And, for example, what type of entity was created for the
- 8 transaction shown in Row A?
- 9 A. Trust.
- 10 Q. What about Rows B through H?
- 11 A. Either corporation or LLCs.
- 12 Q. What, if anything, did you do to determine whether each of
- 13 these corporate names listed here were, in fact, real entities
- 14 created somewhere in the world?
- 15 A. I searched them through the Delaware Secretary of State
- 16 web page.
- 17 Q. How did you know to go to the Delaware Secretary of State?
- 18 A. Many of the companies on the documents list the entity
- 19 name and says "a Delaware company."
- 20 Q. And so looking to the -- I'm going to show you -- you
- 21 should have a folder in front of you marked for identification
- 22 or containing exhibits marked for identification containing
- 23 Exhibits 15.4, 16.4, D5, C6, D7, B7, G6. What are they as a
- 24 whole?
- 25 A. These are certified copies of the formation documents for

## A. Ventre - Direct Examination

1 the Delaware companies listed in the chart.

2 Q. And are all of these records certified as being true and  
3 accurate by the Delaware Secretary of State?

4 A. They are.

5 Q. Do each of these contain a seal purporting to be that of a  
6 Delaware Secretary of State?

7 A. Yes, they do.

8 Q. Do the records contain matters observed by the Secretary  
9 of State pursuant to their duties imposed by law?

10 A. Yes.

11 MR. GILMORE: The Government would move to admit each  
12 of the exhibits that I identified at this time.

13 THE COURT: Admitted.

14 (Government's Exhibit Nos. 15.4, 16.4, D5, C6, D7, B7 and  
15 G6 were admitted into evidence.)

16 BY MR. GILMORE:

17 Q. What did you do to determine how these various Delaware  
18 companies came into existence?

19 A. While searching the Secretary of State web page to see if  
20 the companies existed, you reference them back to the companies  
21 to Harvard Business Services.

22 Q. Tell the jury what that is.

23 A. It's a company that specializes, or actually the business  
24 model is to form Delaware companies and corporations for  
25 others.



## A. Ventre - Direct Examination

1 Q. Do you have to -- actually have to go to Delaware to form  
2 a company there?

3 A. No. It can be done online, through e-mail, through chat  
4 or over the phone.

5 Q. And does anyone have to actually see you or determine who  
6 you, in fact, really are to form a company there?

7 A. No, there's no verification of identity.

8 Q. Did you serve a Grand Jury subpoena on Harvard Business  
9 Services?

10 A. I did.

11 Q. What type of records did they produce?

12 A. They gave us everything in their file, including contact  
13 logs, e-mail chains, formation documents and client application  
14 information.

15 Q. All right. If I can now direct your attention, I believe  
16 it's on this cart back here, to Exhibit 506 -- 505 and 506 and  
17 just ask you to identify that exhibit, please.

18 THE WITNESS: May I step down?

19 THE COURT: Sure.

20 BY MR. GILMORE:

21 Q. What is Exhibit 505 and 506 -- I'm sorry. 506 and 506A?

22 A. 506 is a certification from Harvard Business Services for  
23 these records and 506A are the actual records.

24 Q. Were the records contained in that box there, 506A,  
25 certified under oath by the custodian of records?

## A. Ventre - Direct Examination

1 A. They were.

2 Q. Were they made according to that custodian at or near the  
3 occurrence of the matter set forth in the documents there?

4 A. Yes.

5 Q. Did the custodian certify the records were kept in the  
6 ordinary course of business?

7 A. They did.

8 Q. Did the custodian certify that the records were made by  
9 the regularly conducted activity of the business as a regular  
10 practice?

11 A. Yes.

12 Q. All of that is contained on the exhibit marked in 506, is  
13 it not?

14 A. Yes, right in front of the box.

15 Q. All right.

16 MR. GILMORE: The Government would move to --

17 BY MR. GILMORE:

18 Q. Well, now I'd like to direct your attention to a series of  
19 documents contained in the green folders there for Harvard  
20 Business Services. Do you see those?

21 A. I do.

22 Q. For the purposes of identification, I'm showing you 15,  
23 15.1, 15.2, 15.3, 16, 16.1, 16.2 and 16.3. Now directing your  
24 attention to Exhibits B1, B2, B3, B8, B13, B14, Exhibits C3,  
25 C4, C5-C6 14, C15, C16 --

## A. Ventre - Direct Examination

1 THE COURT: Don't get too fast now.

2 MR. GILMORE: Thank you, Your Honor.

3 BY MR. GILMORE:

4 Q. D4, D5, D6, D16, D17, E4, E5, E6, E12, E13, F3, F4, F5,  
5 F11, F12. G3, G4, G5, G13, G14, H2, H3, H4, H7.

6 Are each of those exhibits I just called out genuine  
7 copies of records contained within Exhibit 506A?

8 A. They are.

9 Q. Do each of those exhibits relate to the transactions  
10 contained in Exhibit 14?

11 A. They do.

12 MR. GILMORE: The Government would move to admit each  
13 of those exhibits at this time.

14 THE COURT: Admitted.

15 (Government's Exhibit Nos. D4 - D6, D16, D17, E4 - E6, E12  
16 and E13 were admitted into evidence.)

17 (Government's Exhibit Nos. F3 through F5, F11 and F12 were  
18 admitted into evidence.)

19 (Government's Exhibit Nos. G3 through G, G13, G14, H2  
20 through H4 and H7 were admitted into evidence.)

21 BY MR. GILMORE:

22 Q. All right. If you could take a seat for a moment, sir.

23 Looking back to Exhibit 14, were these transactions shown  
24 here the only real estate transactions you investigated  
25 involving the defendant?

## A. Ventre - Direct Examination

1 A. No.

2 Q. What other types of transactions did you investigate?

3 A. Transactions of a similar pattern that were not  
4 successful.

5 Q. Okay. And specifically, did you investigate a transaction  
6 for a property located at 928 Coral Bell in Wake Forest?

7 A. I did.

8 Q. What was the nature of that transaction?

9 A. The transaction was, again -- it was being foreclosed by  
10 the HOA. The defendant, through a holding company, placed a  
11 bid and won the bid and the property was placed in a holding  
12 company.

13 Q. What happened after the holding company retained title to  
14 Coral Bell?

15 A. The bank that held the mortgage came back and foreclosed  
16 on the home.

17 Q. How are they able to do that if the homeowner's  
18 association had already foreclosed on the property and sold it  
19 to the defendant's company?

20 A. They held the deed of trust which gave them the right to  
21 foreclose.

22 Q. Was there litigation in Wake County over that foreclosure?

23 A. Extensive litigation.

24 Q. What, if any, documents did you obtain concerning that  
25 litigation?

## A. Ventre - Direct Examination

1 A. The entire file of litigation.

2 Q. All right. In this series of exhibits either in front of  
3 you or down here should be Exhibits 107 and 108. Could you  
4 please locate Exhibit 107 and 108 relating to the Wake County  
5 litigation.

6 A. Yes.

7 Q. Do you recognize what's contained in Exhibits 107 and 108?

8 A. Yes. These are the two binders of records related to the  
9 litigation of 928 Coral Bell.

10 Q. Where did you get those?

11 A. From the Wake County Superior Court's Office, Court Clerk.

12 Q. Are those records contained there certified as being true  
13 and accurate copies of the foreclosure proceeding concerning  
14 928 Coral Bell?

15 A. Yes.

16 Q. And do each of the records contain a seal purporting to be  
17 that of the Clerk of Court?

18 A. They do.

19 Q. And do the records contain matters observed -- I'm sorry.  
20 Could you, just for the jury -- are those Superior Court  
21 documents or are these register of deeds documents?

22 A. They are Superior Court.

23 Q. Okay. And did the -- do they contain a seal of the  
24 Superior Court?

25 A. They do.

## A. Ventre - Direct Examination

1 Q. Do the records contain matters observed by the Superior  
2 Court pursuant to duties imposed by law for which they have a  
3 duty to report?

4 A. Yes.

5 Q. All right. Now I'm going to direct you to Exhibits 109  
6 through 114, which should be located there. Directing your  
7 attention specifically to those exhibits. First to the  
8 exhibits in front of -- relating to Exhibit 107, specifically  
9 Exhibits 109 through 111. What are Exhibits 109, 110 and 111?

10 A. They are true and accurate copies of documents that are  
11 contained in Exhibit 107.

12 Q. And now looking to the exhibits in front of Exhibit 108 or  
13 relating to Exhibit 108 identified as Exhibits 112 through 114,  
14 what are those documents?

15 A. True and accurate copies of documents contained in  
16 Exhibit 108.

17 Q. They relate to Coral Bell Drive as well?

18 A. That's correct.

19 MR. GILMORE: The Government moves to admit only  
20 Exhibits 109, 110, 113 and 114.

21 THE COURT: Admitted.

22 (Government's Exhibit Nos. 109, 110, 113 and 114 were  
23 admitted into evidence.)

24 BY MR. GILMORE:

25 Q. All right. Placing your focus on Exhibit 14 at this

## A. Ventre - Direct Examination

1 point --

2 A. Would you like me to sit down?

3 Q. Stay there for a moment. The jurors have Exhibit 14 in  
4 front of them, I believe.

5 Focusing, again, on the holding companies that you just  
6 talked about. You testified that the holding companies sold  
7 the properties to third-party buyers in the chart, correct?

8 A. That's correct.

9 Q. How, if at all, were the holding companies paid for the  
10 properties?

11 A. I'm sorry. How were they paid for?

12 Q. Yes. How were they paid?

13 A. They received payment either through certified check or  
14 wire transfer.

15 Q. And did the holding companies have bank accounts?

16 A. They did.

17 Q. What, if anything, did you do to obtain those bank account  
18 records?

19 A. We issued a subpoena to each bank for the accounts.

20 Q. Do you have those records here in court?

21 A. I do.

22 Q. I direct your attention now to the pairings of exhibits  
23 that should be located in front of you that are marked for  
24 identification as follows: 507, 507A, 508, 508A, 509, 509A,  
25 510, 510A, 511, 511A, 511A, 512, 512A, 513, 513A, 514, 514A,

## A. Ventre - Direct Examination

1 515, 515A, 517, 517A, 523A, 524 and 524A.

2 What are those pairings of exhibits?

3 A. Those are the bank records with the certification on top  
4 the number and the number with the A is the actual record  
5 produced.

6 Q. And were all of these records produced by a custodian for  
7 each of the banks involved?

8 A. Yes.

9 Q. And did the custodian of records for each bank declare  
10 under oath that the records were made near in time of the  
11 occurrence of the matter set forth in the documents?

12 A. Yes.

13 Q. Transmitted by a person with knowledge of those documents?

14 A. Yes.

15 Q. Did the custodian certify that the records were kept in  
16 the ordinary course of business?

17 A. They did.

18 Q. Did they certify that the records were made by the  
19 regularly conducted activity of each bank?

20 A. Yes.

21 Q. And is all of that contained on the certificate you've  
22 just been talking about?

23 A. Yes.

24 Q. In front of each of those banks, bank folders or bank  
25 pairings, is there a green folder containing a smaller subset



## A. Ventre - Direct Examination

1 of records?

2 A. Yes.

3 Q. Okay. What are those records?

4 A. These are true and accurate copies of documents  
5 produced -- the documents relative to the transactions shown in  
6 the summary chart in Exhibit 14.

7 Q. So I'm going to have you identify them each by bank at  
8 this point, if you could. What are Exhibits C12 and C13, which  
9 should relate to Exhibits 509 and 509A? Starting with the  
10 grouping of Exhibits 509 and 509A, what are C12 and C13?

11 A. These documents -- copies of documents from Bank of  
12 America.

13 Q. Relating to what transaction or grouping?

14 A. Related to the transaction with Lateef J & Sons Family  
15 Condo, LLC.

16 Q. Looking now to 510A, what is Exhibit 11?

17 A. This is a second production or copies of a second  
18 production from Bank of America relating to the same holding  
19 company.

20 Q. Okay. Directing your attention to 511A, what are the  
21 following Exhibits 11.1, 11.2, 11.3, F15, F16?

22 A. I'm sorry. Can you repeat that again?

23 Q. So looking to the master Exhibit 511A, Bank of America  
24 511A --

25 A. Got it.

## A. Ventre - Direct Examination

1 Q. -- what are Exhibits 11.1, 11.2, 11.3, F15, and F16?

2 A. These are copies of surveillance video stills provided by  
3 Bank of America.

4 Q. Relating to various transactions on Exhibit F14?

5 A. Yes.

6 Q. I'm sorry. Exhibit 14.

7 What are -- looking now to master Exhibit 512A from Bank  
8 of America, what are Exhibits E8 and E11?

9 A. These are true and accurate copies of documents provided  
10 by Bank of America related to the Gable Ridge property.

11 Q. Now looking to Bank of America, Exhibit 513A, what is  
12 Exhibit 12?

13 A. This is additional production from Bank of America copies  
14 of -- again, related to the Gable Ridge property.

15 Q. Looking to Bank of America Exhibit 514A, what are Exhibits  
16 F8 and F10?

17 A. True and accurate copies of Bank of America documents  
18 related to the 14109 Arbor Ridge Drive property.

19 Q. Range all right. Looking to Exhibit 515A from Bank of  
20 America, what is F13?

21 A. This is additional production from Bank of America for the  
22 same company -- or for the same property, 14109 Arbor Ridge  
23 Drive.

24 Q. Looking to Exhibit 523A, if you could please tell the jury  
25 what are Exhibits 15.5 -- I'll wait until you can find it. So

## A. Ventre - Direct Examination

1 master Exhibit 523A from Bank of America. Do you have it  
2 there?

3 A. Yes.

4 Q. Very good. What are Exhibits 15.5, 15.6, 15.9, 15.10,  
5 16.5, 16.6, 16.7, 16.8, 16.10, 16.11, 16.12, 16.13, 16.17,  
6 16.18, H9, H10, H11, H12, H13, what are those records?

7 A. These are copies of the production related to the Sidney  
8 Hairston & Family Home Place, LLC, property of Bullion, LLC and  
9 Xavier Earquhart, LLC accounts.

10 Q. Looking to Bank of America Exhibit 524A. Do you have that  
11 there?

12 A. Yes.

13 Q. What is Exhibit 9.2?

14 A. This is a copy of the mortgage payments made by Lateef  
15 Johnson for the mortgage on 505 E. 6th Street in Charlotte.

16 Q. Now, the jury at this point -- you've identified for them  
17 various Bank of America productions; is that right?

18 A. Yes.

19 Q. Tell them why there is so many different pairings of  
20 exhibits from Bank of America.

21 A. We didn't know about all the accounts at once so we served  
22 one subpoena. As we learned about the accounts, we would issue  
23 a subpoena for them.

24 Q. You would get more and more over time?

25 A. That's correct.

## A. Ventre - Direct Examination

1 Q. And they certified each of them?

2 A. Yes.

3 Q. Is there a folder there for Wells Fargo, Exhibit 507A?

4 A. Yes.

5 Q. What are exhibits marked as B9, B10 and B12?

6 A. True copies of documents related to the Gun & Winter Elyse  
7 Family Holding Company.

8 Q. And looking to PNC Bank, Exhibit 508A, do you see that  
9 there?

10 A. Yes.

11 THE COURT: Hold up a minute, Counselor. Stay right  
12 where you are.

13 Members of the jury, our schedule is sort of all  
14 wacky today because of jury selection and we took our  
15 afternoon -- we haven't taken an afternoon break. We normally  
16 would take it right about -- after an hour and a half, but  
17 we'll be going home in 30 minutes. So if you can get by  
18 without a break, we can just go right on through and get out at  
19 4:30.

20 Does anybody need a break?

21 (No hands raised.)

22 THE COURT: Okay. You may go on.

23 MR. GILMORE: Thank you, Your Honor.

24 BY MR. GILMORE:

25 Q. Can you identify exhibits from 508A marked as D12, D14,

## A. Ventre - Direct Examination

1 D15 and D18?

2 A. These are true and accurate copies of the PNC production  
3 related to the Gaydos & Family 14716 Via Sorrento Condominium  
4 account.

5 Q. Now to 517A of PNC Bank. What are Exhibits G9, G10, G11,  
6 G15 and G16?

7 A. True and accurate copies of documents produced by PNC  
8 related to Keith H. Property, LLC account.

9 Q. Thank you, sir.

10 MR. GILMORE: Your Honor, at this time I'm going to  
11 move to admit each of those exhibits, and I will read them out.

12 Special Agent Ventre, if you can take a seat, please.

13 The Government will be moving to admit at this time  
14 Exhibits C12, C13, 11, 11.1, 11.2, 11.3, E8, E11, 12, F8, F10,  
15 F13, F15, F16, 15.5, 15.6, 15.9, 15.10, 16.5, 16.6, 16.7, 16.8,  
16 16.10, 16.11, 16.12, 16.13, 16.17, 16.18, H9, H10, H11, H12,  
17 H13, 9.2, B9, B10, B12, D12, D14, D15, D18, G9, G10, G11, G12,  
18 G15, and G16.

19 The Government moves to admit those exhibits at this  
20 time.

21 THE COURT: Admitted.

22 (Government's Exhibit Nos. C12, C13, 11, 11.1 through  
23 11.3, E8 and E11 were admitted into evidence.)

24 (Government's Exhibit Nos. 12, F8, F10 through F13, F15  
25 and F16 were admitted into evidence.)

## A. Ventre - Direct Examination

1 (Government's Exhibit Nos. 15.5, 15.6, 15.9 and 15.10 were  
2 admitted into evidence.)

3 (Government's Exhibit Nos. 16.5 through 16.8, 16.10  
4 through 16.13, 16.17 and 16.18 were admitted into evidence.)

5 (Government's Exhibit Nos. H9 through H13, 9.2, B9, B10,  
6 D12, D14, D15 and D18 were admitted into evidence.)

7 (Government's Exhibit Nos. G9 through G12, G15 and G16  
8 were admitted into evidence.)

9 BY MR. GILMORE:

10 Q. Now, sir, let me direct your attention to -- I believe  
11 those are down here too, I apologize -- Government's exhibits  
12 marked for identification as 522 and 522A, and the folder in  
13 front of both of those containing exhibits -- if you could come  
14 down and --

15 THE WITNESS: May I step down?

16 THE COURT: Sure. Yes.

17 BY MR. GILMORE:

18 Q. If you could locate 522 and 522A after you get the  
19 microphone.

20 A. Yes.

21 Q. All right. In front of that folder you should have what  
22 are marked as Exhibits 11.4, 11.5, 12.1, 12.2, 12.3, 12.4, A13,  
23 D19, D20, F14 and G17. Do you see those there?

24 A. Yes, I do.

25 Q. What is Exhibit 522A?

## A. Ventre - Direct Examination

1 A. It's a certification from FINCEN.

2 Q. Tell the jury, what is FINCEN?

3 A. It's a government agency that collects data about bank  
4 transactions, particularly currency transactions in excess of  
5 \$10,000, information on foreign bank accounts, among other  
6 things.

7 Q. What are currency transaction reports?

8 A. A currency transaction report is a report that's required  
9 to be filed by a financial institution or bank. Any time a  
10 currency in excess of \$10,000 passes across the counter, be it  
11 withdrawal or deposit, the bank is required to fill out this  
12 form and file with FINCEN.

13 Q. Why do banks have to file the CTR?

14 A. It's an anti-money laundering device and required by law.

15 Q. How do you use your CTR?

16 A. It is common to acquire the database to find large  
17 transactions or moving of funds into accounts.

18 Q. How, if at all, did the CTRs assist you to determine the  
19 identity of a person conducting a 10,000-dollar transaction?

20 A. The conductor must provide identification to the bank so  
21 their ID information will appear on the CTR.

22 Q. And did you conduct an investigation looking to CTRs in  
23 connection with your investigation of this case?

24 A. I have.

25 Q. And what CTRs did you gather?

## A. Ventre - Direct Examination

1 A. Those are here in this folder, a number of CTRs related to  
2 the defendant.

3 Q. Okay. And so what is Exhibit 522 as a whole, then?

4 A. The production by FINCEN.

5 Q. Are these records certified as being true and accurate  
6 filings with FINCEN?

7 A. Yes.

8 Q. Do these records contain a seal purporting to be data of  
9 FINCEN?

10 A. Yes.

11 Q. Do these records contain matters observed by FINCEN  
12 pursuant to duties imposed by law which they have a duty to  
13 report?

14 A. Yes.

15 Q. And those exhibits that are contained within the folder in  
16 front there, 11.4, 11.5, 12.1, 12.2, 12.3, 12.4, 8, 13, D19,  
17 D20, F14 and G17, what are those exhibits?

18 A. These are true and accurate copies of CTRs produced by  
19 FINCEN.

20 Q. How did you use those exhibits specifically during the  
21 course of this investigation?

22 A. I used them to match up transactions by the defendant  
23 either cashing checks or using bank accounts.

24 Q. Okay. Do you have there with you a folder with FDIC  
25 documents in it?



## A. Ventre - Direct Examination

1 A. I do.

2 Q. And in this case, sir, do you recall the defendant was  
3 charged with bank frauds?

4 A. Yes.

5 Q. And frauds against financial institutions?

6 A. Yes.

7 Q. What are financial institutions as it pertains to this  
8 case?

9 A. They are one of three things: Either an entity that  
10 originates mortgages, an entity that is insured by the Federal  
11 Deposit -- deposits insured by the Federal Deposit Insured  
12 Corporation or in the case of a credit union, has their  
13 deposits insured by the National Credit Union Insurance Fund,  
14 Shared Insurance fund.

15 Q. Is it like the FDIC for state for credit unions?

16 A. In layman's terms, yes.

17 Q. What, if anything, did you do in the investigation to  
18 confirm that the banks and lenders were, in fact, financial  
19 institutions as you just described them?

20 A. Having them certified by FDIC and National Credit Union  
21 Association that they were.

22 Q. Okay. So looking to Exhibits 2.7, 3.2, 4.1, 6.4, 7.6,  
23 8.1, 8.2 and 9.1, what are those documents?

24 A. These are the certifications by the FDIC.

25 Q. And they relate to the transactions in Exhibit 14?

## A. Ventre - Direct Examination

1 A. Correct.

2 Q. Did the custodian of records for FDIC certify that -- the  
3 records were made at or near the time of the occurrence of the  
4 matter set forth in the documents of information transmitted by  
5 a person with knowledge?

6 A. Yes.

7 Q. Did the custodian certify that the records were kept in  
8 the ordinary course of business?

9 A. Yes.

10 Q. And that the records were made by the regularly conducted  
11 activity as a regular practice?

12 A. Yes.

13 MR. GILMORE: The Government would move at this time  
14 to admit Exhibits 2.7, 3.2, 4.1, 6.4, 7.6, 8.1, 8.2 and 9.1  
15 into the record.

16 THE COURT: Admitted.

17 (Government's Exhibit Nos. 2.7, 3.2, 4.1, 6.4, 7.6, 8.1,  
18 8.2 and 9.1 were admitted into evidence.)

19 BY MR. GILMORE:

20 Q. Now directing your attention to what is Government's  
21 Exhibit 1.1. Should be with that grouping of exhibits. What  
22 is 1.1 -- I'm sorry -- 1.11?

23 A. That is a certification by the National Credit Union  
24 Association.

25 Q. And was that document produced by a custodian of records

## A. Ventre - Direct Examination

1 for that entity?

2 A. Yes.

3 Q. And did they certify that the records were made at or near  
4 the time of the occurrence of the matter set forth in the  
5 documents from information transmitted by a person with  
6 knowledge?

7 A. They did.

8 Q. And did the custodian for NCUA certify that the records  
9 were kept in the ordinary course of business?

10 A. Yes.

11 Q. Did the custodian certify that the records were made as a  
12 regular activity as a regular practice of the NCUA?

13 A. Yes.

14 MR. GILMORE: The Government moves to admit  
15 Exhibit 1.11 at this time.

16 THE COURT: Admitted.

17 (Government's Exhibit No. 1.11 was admitted into  
18 evidence.)

19 BY MR. GILMORE:

20 Q. All right. You can take a seat, sir.

21 Now looking back to Exhibit 14 again. Did you conduct an  
22 analysis to determine -- looking over at the right side of the  
23 screen, the proceeds column. Did you conduct an analysis to  
24 determine how the proceeds of those transactions were spent?

25 A. I did.

## A. Ventre - Direct Examination

1 Q. Did you obtain records concerning those expenditures?

2 A. Yes.

3 Q. I direct your attention now to what are marked -- should  
4 be in front of you. What are marked as Government Exhibits  
5 15 -- maybe they are not. They may be down here on the cart,  
6 if you can come find them. Records for Westlake Pro, J and  
7 Bullion and Apmex.

8 What are the pairings of the Exhibits 518 and 518A?

9 A. Certification documents produced by Westlake Pro.

10 Q. What kind of company is that?

11 A. That is a retailer of high end studio and recording  
12 equipment, mixing boards, speakers and that kind of stuff.

13 Q. What are Exhibits 519 and 519A?

14 A. Production by J. Bullion, Inc.

15 Q. What kind of company is that?

16 A. That is a seller of precious metals.

17 Q. What are Exhibits 520 and 520A?

18 A. Those are records produced by Apmex, Inc.

19 Q. What kind of company is Apmex, Inc.?

20 A. Another company that deals with precious metals.

21 Q. Were all the records produced for each of those companies  
22 there produced by a custodian of record for the businesses?

23 A. They were.

24 Q. I'm going to ask you the same set of questions. Did the  
25 custodian of records declare under oath that the records were

## A. Ventre - Direct Examination

1 made at or near the time of the occurrence of the matter set  
2 forth in the documents and transmitted by a person with  
3 knowledge?

4 A. Yes.

5 Q. Did the custodian of the records certify that the records  
6 were kept in the ordinary course of business?

7 A. Yes.

8 Q. Did the custodian certify that they were made by the  
9 regularly conducted activity as a regular practice?

10 A. Yes.

11 Q. Is all that contained on the certificate there for each  
12 entity?

13 A. It is.

14 Q. The Government will now direct your attention to the  
15 exhibits from within each of those productions. Starting with  
16 518A, Exhibits 15.7, 15.11, what are those?

17 A. These are invoices for the studio equipment from Westlake  
18 Pro.

19 Q. Looking to the J. Bullion folder, what is Exhibit 16.9?

20 A. An order from J. Bullion.

21 Q. And looking to the Apmex folder, 520, what are Exhibits  
22 16.4, 16.5, 16.6, 16.19 and 16.20?

23 A. Accounting documents and invoices from Apmex.

24 Q. Are each of those documents that you just identified true  
25 and correct copies from within the certified record production?

## A. Ventre - Direct Examination

1 A. Yes.

2 MR. GILMORE: The Government would move to admit at  
3 this time Exhibits 15.7, 15.11, 16.9, 16.4, 16.6, 16.19 and  
4 16.20.

5 THE COURT: Admitted.

6 (Government's Exhibit Nos. 15.7, 15.11, 16.9, 16.4, 16.6,  
7 16.19 and 16.20 were admitted into evidence.)

8 MR. GILMORE: You can take a seat, sir.

9 BY MR. GILMORE:

10 Q. All right. Special Agent Ventre, through the course of  
11 your investigation of this case, did you discover that any P.O.  
12 Boxes were utilized?

13 A. Yes.

14 Q. And did you see any one Post Office Box used more than  
15 others?

16 A. Yes. There's a P.O. Box, Box 1090 in Zebulon, North  
17 Carolina.

18 Q. And what, if anything, did you do to determine who used or  
19 controlled that P.O. Box?

20 A. I contacted the Postal Inspection Service, who were able  
21 to give me a copy of the application.

22 Q. Copy of the application?

23 A. Yes.

24 Q. Okay. I show you what's marked -- should be in front of  
25 you in a folder marked as Exhibit 1.5 for identification. What

## A. Ventre - Direct Examination

1 is Exhibit 1.5?

2 A. This is the certified copy of the application for Box 1090  
3 in Zebulon.

4 Q. Was this post office box record produced by a custodian of  
5 the post office?

6 A. Yes.

7 Q. Did the custodian certify that the records were made at or  
8 near the time of the occurrence of the matter set forth by or  
9 from information transmitted by a person with knowledge of  
10 those matters?

11 A. Yes.

12 Q. Did the custodian certify the records were kept in the  
13 ordinary course of business?

14 A. Yes.

15 Q. Did the custodian certify the records were made by the  
16 regularly conducted activity as a regular practice of the post  
17 office?

18 A. Yes.

19 MR. GILMORE: Government moves to admit Exhibit 1.5  
20 at this time.

21 THE COURT: Admitted.

22 (Government's Exhibit No. 1.5 was admitted into evidence.)

23 BY MR. GILMORE:

24 Q. On the screen for the jury's attention I'm going to place  
25 Exhibit 1.5. Do you see in the upper right-hand part of the

## A. Ventre - Direct Examination

1 screen where it says, "Box 1090"?

2 A. I do.

3 Q. Upper right-hand part of the screen here.

4 Looking down here to the name of business, and it's number  
5 two, name of business organization, could you please read into  
6 the record what is written there?

7 A. Three names written: First is AAAA House Moving, the  
8 second is Asset Management Net Worth and the third is Xavier  
9 Earquhart.

10 Q. All right. Now, let's move down to box eight. Do you see  
11 where this says, "Applicant must select and enter the ID number  
12 for two items of valid identification listed below. You must  
13 present the IDs at a post office. One item must contain a  
14 photograph and one must be traceable to the bearer to prove  
15 your physical address. Both must be current."

16 What form of photo ID is checked off on this form?

17 A. Valid driver's license or state non-driver's ID card.

18 Q. And looking down to photo ID number, what number is listed  
19 there?

20 A. 25392117.

21 Q. What number is that?

22 A. That is the North Carolina driver's license number of the  
23 defendant.

24 Q. In looking to the -- we're going to go down now to the  
25 customer initials shown on this same exhibit. What initials



## A. Ventre - Direct Examination

1 are shown there on the post office box application?

2 A. XE.

3 Q. Looking down at the signature at the bottom of this  
4 document. During the course of the investigation, did you see  
5 markings like this associated with any particular names?

6 A. Yes.

7 Q. What names is that?

8 A. The defendant.

9 Xavier Earquhart.

10 Q. And moving over to the right-hand side of the screen to  
11 the stamp that's there under Zebulon MPO, what date is shown  
12 there?

13 A. May 29, 2014.

14 Q. All right. Moving back to the top of the document, let me  
15 direct your attention back to that line showing the business  
16 names. Looking first to that business AAAA House Moving and  
17 then Asset Management Net Worth. Did you do anything to  
18 investigate who created those entities?

19 A. Yes, I did.

20 Q. I direct your attention to the folder, should be in front  
21 of you, containing exhibits marked for identification as  
22 Government Exhibits 1.4, 1.6 and 1.7. Do you recognize those  
23 exhibits?

24 A. I do.

25 Q. What are they?

## A. Ventre - Direct Examination

1 A. These are certified copies of recordings by North Carolina  
2 Department of Secretary of State.

3 Q. And looking first to 1.4, what company is it that's formed  
4 in that document?

5 A. I'm sorry. You said 1.4?

6 Q. Yes, sir. 1.4.

7 A. Executive Investment Group, Inc.

8 Q. And looking to 1.6?

9 A. Asset Management and Net Worth Holdings, LLC.

10 Q. Now 1.7?

11 A. AAAA Structural House Movers, LLC.

12 Q. And you obtained those from the North Carolina Secretary  
13 of State?

14 A. Yes.

15 Q. Did those contain a seal purporting to be that of the  
16 North Carolina Secretary of State?

17 A. Yes.

18 Q. Do the records contain matters considered by the North  
19 Carolina Secretary of State pursuant to duties imposed by law  
20 as to which they have a duty to report?

21 A. Yes.

22 MR. GILMORE: The Government would move to admit  
23 Exhibits 1.4, 1.6 and 1.7 at this time.

24 THE COURT: Admitted.

25 (Government's Exhibit Nos. 1.4, 1.6 and 1.7 were admitted

## A. Ventre - Direct Examination

1 into evidence.)

2 BY MR. GILMORE:

3 Q. Let's focus your attention on the company listed on the  
4 post office box application, Asset Management and Net Worth.  
5 I'm going to place on the screen Exhibit 1.6. All right. Do  
6 you see where this says, "Articles of organization of Asset  
7 Management and Net Worth Holdings, LLC"?

8 A. I do.

9 Q. What are articles of organization?

10 A. The formation of the company.

11 Q. Okay. Where do you have to file those?

12 A. In the Secretary of State office.

13 Q. And once you file those articles of organization, what  
14 does that allow you to do?

15 A. To conduct business as a company.

16 Q. Okay. So I'm going to go to page 2 of this document. Who  
17 is listed under number three as the person executing the  
18 articles of organization?

19 A. Xavier Earquhart as organizer.

20 Q. Is that a slightly altered spelling of the defendant's  
21 name?

22 A. It is.

23 Q. Who is listed as the initial registered agent for this  
24 company? It's down -- one number down.

25 Who is listed as the initial registered agent for the

## A. Ventre - Direct Examination

1 company?

2 A. Executive Investment Group, Inc.

3 Q. All right. Now, moving past that to the last page of this  
4 document, in looking underneath the date September 27, 2013,  
5 who purports to sign this document as the organizer?

6 A. Xavier Earquhart.

7 Q. Moving your attention now to the company AAAA House Moving  
8 listed on the post office box application, I'm going to place  
9 on the screen Exhibit 1.7. Do you see where this says,  
10 "Articles of organization, AAAA Structural House Movers, LLC"?

11 A. I do.

12 Q. Let's go to page 2. Who is listed under number three as  
13 the person executing the articles of organization both as  
14 organizer and member?

15 A. Xavier Earquhart.

16 Q. Again, is that a slightly altered spelling of the  
17 defendant's name?

18 A. Yes.

19 Q. Who is listed as the initial registered agent for this  
20 company?

21 A. Asset Management and Net Worth Holding, LLC.

22 Q. Moving to the last page of this exhibit and looking  
23 beneath the date September 28th, 2013, who purports to sign  
24 this document as organizer and member?

25 A. Xavier Earquhart.

## A. Ventre - Direct Examination

1 Q. Lastly, I'm going to place Exhibit 1.4 on the screen. Do  
2 you see where this says, "Articles of incorporation of  
3 Executive Investment Group, Inc."?

4 A. I do.

5 Q. And do you see the date filed there, October 13, 2010?

6 A. I do.

7 Q. Going to page 2, under the mailing address for Executive  
8 Investment Group, the mailing address, what address is listed  
9 there?

10 A. P.O. Box 1090, Zebulon, North Carolina 27597.

11 Q. Is that the defendant's post office box?

12 A. Yes.

13 Q. Who is the registered agent listed there?

14 A. Xavier Smart.

15 Q. Who is Xavier Smart?

16 A. The defendant.

17 Q. That's not his name today, though?

18 A. No. That was his name at birth.

19 Q. He changed his name?

20 A. Yeah, some time ago.

21 Q. And how do you know that?

22 A. I reviewed documents in the register of deeds office. I  
23 also listened to a deposition from bankruptcy proceedings which  
24 he admitted as such.

25 Q. So moving on to page 3 of the same document, what name is

## A. Ventre - Direct Examination

1 listed as the signer on this document?

2 A. Xavier Smart.

3 Q. And what P.O. Box is listed here on this document for this  
4 Executive Investment Group?

5 A. Again, P.O. Box 1090, Zebulon, North Carolina.

6 Q. Now, with respect to this entity created by the defendant,  
7 Executive Investment Group, how, if at all, is that entity  
8 involved in Counts 1 through 7?

9 A. That is a holding company that took possession of 2732  
10 Knowles Street before it was conveyed to the defendant.

11 Q. All right. I'm going to direct your attention, then, to  
12 that series of counts, 1 through 7, and I'm going to place on  
13 the screen Exhibit 1 and Exhibit 1.1 at page 2.

14 What is the jury seeing here in Exhibits 1 and 1.1?

15 A. Exhibit 1 is the property located at 2732 Knowles Street.  
16 Exhibit 1.1, can you zoom in on that?

17 Q. Yes, sure.

18 THE COURT: You mean Exhibit 1 is a photograph?

19 THE WITNESS: I'm sorry. The photograph of the  
20 property.

21 BY MR. GILMORE:

22 Q. So we zoomed in on Exhibit 1.1. What is the jury seeing  
23 in 1.1?

24 A. This is showing where the property at 2732 Knowles Street  
25 was conveyed to Marie Guerda Dominique.

## A. Ventre - Direct Examination

1 Q. Let's see if we can zoom in to the language in the first  
2 paragraph of Exhibit 1.1. Let's zoom in on the opening  
3 language. Do you see where it says, This deed made the 2nd day  
4 of 1993, between C. Edward Alexander, II, substitute trustee,  
5 the deed of trust, grantor; and then Marie Guerda Dominique as  
6 the grantee, do you see that?

7 A. Yes.

8 Q. What does this document purport to show happened with  
9 respect to Knowles Street back in 1993? What happened in this  
10 document?

11 A. Ms. Dominique took deed of trust property.

12 Q. She took ownership of the property?

13 A. She took ownership of the property, yes.

14 THE COURT: You said "deed of trust," is that what  
15 you meant?

16 THE WITNESS: The property was conveyed to Ms. Guerda  
17 Dominique.

18 BY MR. GILMORE:

19 Q. Is this a deed?

20 A. Can you zoom? Yes. It says "this deed."

21 Q. Okay. So is this where she takes ownership of the  
22 property?

23 A. Yes.

24 Q. Now I'm going to place on the screen -- keeping Exhibit 1,  
25 I'm going to place Exhibit 1.2 on the screen. And I'm going to

## A. Ventre - Direct Examination

1 go to page 2. All right.

2 Now, zooming in on Exhibit 1.2 a little bit, do you see  
3 where 1.2 states, North Carolina General Warranty Deed, 26th  
4 day of November, 2010; grantor, Marie Guerda Dominique; and  
5 grantee, Abraham Elijah Ishmael. Do you see that?

6 A. I do.

7 Q. What does this document purport to do with respect to  
8 ownership of Knowles Street?

9 A. It conveys 2732 Knowles Street from Ms. Marie Guerda  
10 Dominique to Abraham Elijah Ishmael.

11 Q. What, if anything, did you do to determine whether that  
12 person here, Abraham Elijah Ishmael, whether that was a real  
13 person?

14 A. I searched a number of databases.

15 Q. Did you ever find him?

16 A. I could not find an Abraham Elijah Ishmael.

17 Q. Going to page 3 of the same exhibit, and zooming in, if  
18 you could, on the -- this portion right here that shows a  
19 signature. Do you see that? Is that supposed to be the  
20 signature of Ms. Guerda Dominique?

21 A. Yes.

22 Q. And now, if we can look down to the notary section of this  
23 deed. Do you see Jorge Cruz listed as the notary in Wake  
24 County, North Carolina?

25 A. I do.



## A. Ventre - Direct Examination

1 Q. What is the purpose of a notary?

2 A. Notary is an agent of the state. They certify that the  
3 person that appeared before them and signed the document is, in  
4 fact, that person by checking ID and then notarizing the  
5 document by putting their stamp and signing it themselves.

6 Q. Okay. So Jorge Cruz, did you talk to Mr. Cruz?

7 A. Yes, I did.

8 Q. And will the jury hear from Mr. Cruz about whether Ishmael  
9 or a Marie Dominique ever appeared in front of him?

10 A. Yes, they will.

11 Q. Okay. Now I'm going to place Exhibit 1 and 1.3 on the  
12 screen.

13 Going to page 2 of Exhibit 1.3 and zooming in, do you see  
14 where this document states, North Carolina General Warranty  
15 Deed 1st day of February, 2011; grantor, Abraham Elijah  
16 Ishmael; grantee, Executive Investment Group. Do you see that?

17 A. I do.

18 Q. What does this document purport to do with respect to  
19 ownership of Knowles Street?

20 A. It conveys the Knowles Street property from Abraham Elijah  
21 Ishmael to Executive Investment Group.

22 Q. What P.O. Box is listed on this document?

23 A. P.O. Box 1090 Zebulon, North Carolina.

24 Q. Whose P.O. Box is that?

25 A. The defendant's.

1 Q. Going to page 3 of this document, who is supposed to have  
2 signed this document that I'm circling here on page 3?

3 A. Abraham Elijah Ishmael.

4 Q. And who is that person, Abraham Elijah Ishmael, supposed  
5 to have appeared in front of and signed that document?

6 A. The notary, Jorge Cruz.

7 Q. Okay. And again, the jury will hear from Mr. Cruz?

8 A. Yes.

9 Q. I'm going to place on the screen Exhibit 1 and 1.8. Going  
10 to page 2 of 1.8 and zooming in, do you see where this states,  
11 North Carolina General Warranty Deed, 22nd day of March, 2013;  
12 grantor, Executive Investment Group; grantee, Xavier Earquhart,  
13 P.O. Box 1090, Zebulon, North Carolina?

14 A. I do.

15 Q. What does this document purport to do with respect to  
16 ownership of Knowles Street?

17 A. It conveys the property of Executive Investment Group,  
18 Inc. to the defendant.

19 Q. All right. So now I'm going to place Exhibit 14 back on  
20 the screen.

21 THE COURT: No, you're not. It's time to go home.

22 Members of the jury, if we didn't take a recess back  
23 then, we'll take it at 4:30, and that is what we're going to  
24 do. And that is going to be our regular schedule for the most  
25 part, unless I change it and tell you about it in advance.

1           We'll start at 9:00 o'clock in the morning, we'll  
2 take a one-and-one-half hour recess at 12:30 to 2:00 and we'll  
3 recess for the day at 4:30. So you will know and plan your  
4 schedule and things of that nature.

5           So I would ask you to please be back tomorrow morning  
6 sufficiently before 9:00 o'clock so that we can start promptly  
7 at that time.

8           You got to remember there is 14 of you. If one of  
9 you is five minutes late, that's a bunch of time of a lot of  
10 people wasted, in addition to the courtroom people. So please  
11 be here on schedule. And if you'll come on time, I promise you  
12 I'll let you out on time.

13           And during the overnight recess, please don't discuss  
14 the case with anyone or allow anyone to discuss it with you.  
15 Don't do any research about it. Wait until you come back here  
16 tomorrow morning and we'll get -- Mr. U.S. Attorney is putting  
17 his case on in a rapid fashion, so we're moving along.

18           Leave your notepads in your seat or give them to  
19 Lauren on your way out and we'll take care of them overnight  
20 and give them back to you tomorrow morning.

21           Everyone else remain seated as the jury leaves the  
22 courtroom.

23           (The jury exited the courtroom at 4:31 p.m.)

24           THE COURT: Mr. Gilmore, if you want to leave that  
25 stuff in here, I'll order the Marshal Service to secure the

1 courtroom and you can leave it right there, if you want to.

2 MR. GILMORE: Your Honor, more -- I think we're done  
3 with the document admissions so the custodial exhibits will all  
4 go back with the Government. The ones we've admitted we can  
5 give to the clerk at this time.

6 THE COURT: Okay.

7 MR. GILMORE: Very good.

8 THE COURT: I'm trying to help you. You're moving,  
9 doing real well.

10 MR. GILMORE: Thank you, Your Honor.

11 THE COURT: All right. Remember, if you need to see  
12 me in the morning before court starts, please let Lauren know  
13 and she'll let me know and I'll come in before the jury.

14 I hope all of you have a good overnight recess, which  
15 we will now take until tomorrow morning at 9:00 o'clock.

16 (The proceedings were recessed at 4:33 p.m.)

17  
18 \* \* \*

1 UNITED STATE DISTRICT COURT  
2 EASTERN DISTRICT OF NORTH CAROLINA  
3  
4

5 CERTIFICATE OF OFFICIAL REPORTER  
6

7 I, Amy M. Condon, CRR, RPR, CSR, Federal Official Court  
8 Reporter, in and for the United States District Court for the  
9 Eastern District of North Carolina, do hereby certify that  
10 pursuant to Section 753, Title 28, United States Code, that the  
11 foregoing is a true and correct transcript of the  
12 stenographically reported proceedings held in the  
13 above-entitled matter and that the transcript page format is in  
14 conformance with the regulations of the Judicial Conference of  
15 the United States.  
16  
17

18 Dated this 5th day of October, 2018.  
19  
20

21 /s/ Amy M. Condon  
22 Amy M. Condon, CRR, CSR, RPR  
23 U.S. Official Court Reporter  
24  
25